



United States
Department of
Agriculture

USDA RURAL DEVELOPMENT

502 SINGLE FAMILY HOUSING LOAN PROGRAM

Program Objective:

The Section 502 Direct Single Family Housing Loan Program assists low and very low income applicants obtain decent, safe and sanitary housing in eligible rural areas. Interest rates and terms for these loans are designed to make homeownership more affordable.. Qualifying households may receive Payment Assistance, which is an interest subsidy that reduces the monthly mortgage payment.

Loan Purposes:

Loans may be used to buy, build, rehabilitate or improve an eligible single family dwelling and improve related facilities for use by the borrower as their permanent residence.

Eligibility Requirements:

- ◆ Household income may not exceed the applicable low income limit for the area <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Be unable to obtain a loan from other resources on reasonable rates and terms
- ◆ Meet citizenship or eligible non citizenship requirements
- ◆ Applicants must have stable and dependable income sufficient to meet repayment ratio requirements:
Principal, interest, taxes and insurance (PITI) - 29% (Very Low Households)
Principal, interest, taxes and insurance (PITI) - 33% (Low Households)
Total Debts to include PITI cannot exceed 41%
- ◆ Applicants must occupy the dwelling on a permanent basis.
- ◆ Must have a satisfactory credit history
- ◆ Currently do not own decent, safe and sanitary housing

Dwelling and Site Requirements:

- ◆ Dwelling must be a single family home and be located in a eligible rural area: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Structurally sound, functionally adequate and in good repair, or will be improved to meet USDA property standards
- ◆ Dwelling must be considered modest for the area and less than 2000sq/ft
- ◆ The property may not:
 - be designed for income producing purposes
 - have an in-ground swimming pool
 - have farm outbuildings
 - be large enough to subdivide into more than one site under existing local zoning ordinances
- ◆ Can finance the construction of new homes to include *new* manufactured homes through approved dealer-contractors. However, USDA cannot finance existing manufactured homes. Financing term of 30 years for manufactured homes.

SERVICE AREA:
CORTLAND, BROOME,
CAYUGA, CHENANGO,
ONONDAGA, TIOGA &
TOMPKINS COUNTIES

Section 502 Loans:

- ◆ 100% LTV Financing
- ◆ No down payment required
- ◆ Payment Assistance for qualifying households
- ◆ Standard repayment term: 33 years
- ◆ Household income not to exceed low income limit for the area
- ◆ Free Pre-Qualification Review
- ◆ Tax & Insurance Escrow
- ◆ Property must be located in an eligible area.
 - ◆ Can include eligible closing costs and repairs up to appraised value
 - ◆ No PMI or financing fees

Rural Development

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USDA is an equal opportunity provider and employer



Income Limits as of May 17, 2017

County		1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Broome/Tioga County	Very Low	23,000	26,300	29,600	32,850	35,500	38,150	40,750	43,400
	Low	36,800	42,050	47,300	52,550	56,750	60,950	65,150	69,350
	Guaranteed	78,200	78,200	78,200	78,200	103,200	103,200	103,200	103,200
Cayuga County	Very Low	23,350	26,650	30,000	33,300	36,000	38,650	41,300	44,000
	Low	37,300	42,650	47,950	53,300	57,500	61,850	66,100	70,350
	Guaranteed	78,200	78,200	78,200	78,200	103,200	103,200	103,200	103,200
Chenango County	Very Low	21,900	25,000	28,150	31,250	33,750	36,250	38,750	41,250
	Low	35,000	40,000	45,000	50,000	54,000	58,000	62,000	66,000
	Guaranteed	78,200	78,200	78,200	78,200	103,200	103,200	103,200	103,200
Cortland County	Very Low	22,700	26,000	29,250	32,450	35,050	37,650	40,250	42,850
	Low	36,350	41,500	46,700	51,900	56,050	60,200	64,350	68,500
	Guaranteed	78,200	78,200	78,200	78,200	103,200	103,200	103,200	103,200
Onondaga County	Very Low	24,250	27,700	31,150	34,600	37,400	40,150	42,950	45,700
	Low	38,750	44,300	49,800	55,350	59,800	64,200	68,650	73,050
	Guaranteed	79,550	79,550	79,550	79,550	105,000	105,000	105,000	105,000
Tompkins County	Very Low	27,600	31,550	35,550	39,400	42,600	45,750	48,900	52,050
	Low	44,150	50,450	56,750	63,050	68,100	73,150	78,200	83,250
	Guaranteed	90,650	90,650	90,650	90,650	119,650	119,650	119,650	119,650

Entire county is eligible